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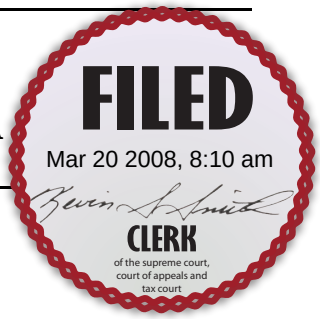
IN THE COURT OF APPEALS OF INDIANA



WILLIAM R. KNAPP,	)	
	)	
Appellant-Respondent,	)	
	)	
vs.	)	No. 26A05-0710-CV-555
	)	
KALA M. KNAPP,	)	
	)	
Appellee-Petitioner.	)	

APPEAL FROM THE GIBSON SUPERIOR COURT
The Honorable Earl G. Penrod, Judge
Cause No. 26D01-0611-DR-86

March 20, 2008

MEMORANDUM DECISION – NOT FOR PUBLICATION

BAKER, Chief Judge

Appellant-respondent William R. Knapp appeals from the trial court's order denying his motion for relief from judgment pursuant to Indiana Trial Rule 60(B)(1). William contends that he established his right to relief based on a mistake underlying the property settlement agreement between William and appellee-respondent Kala M. Knapp. Finding no error, we affirm the judgment of the trial court.

FACTS

William and Kala were married and had no children. In the fall of 2006, Kala won $500,000 (gross) in the Indiana scratch-off lottery, of which she would ultimately receive $194,000. On November 27, 2006, Kala filed a petition to dissolve the marriage. At a provisional hearing, it was agreed that Kala would be entitled to secure $50,000 from one of the parties' accounts. On June 6, 2007, the trial court entered a summary dissolution decree, dissolving the marriage pursuant to the parties' Mediated Property Settlement Agreement (the Agreement). Among other things, the Agreement provides as follows:

> [William] will pay to [Kala] additional property settlement in the sum of $194,000.00 from the existing joint accounts and shall be the owner of the balance. The parties acknowledge that the source of the monies from the above joint accounts described is derived from lottery winnings of $500,000.00 (gross) of [Kala] in the fall of 2006. It is the intent of this agreement that each party will be responsible for their own tax liability for the tax year 2007 for any gain realized on the aforementioned joint accounts for said tax year.

Appellant's App. p. 24. The Agreement did not reference the $50,000 payment Kala received at the outset of the dissolution proceedings.

Following the entry of the dissolution decree, William made a payment to Kala of $144,000, withholding $50,000 based on her receipt of that amount following the

provisional hearing. Kala insisted that the Agreement did not give William the right to withhold that money. On July 10, 2007, William filed a motion to set aside the Agreement pursuant to Indiana Trial Rule 60(b)(1), citing mistake as the reason to set it aside. Specifically, William argued that his interpretation of the Agreement "was that the $194,000.00 to be paid by [Kala] was to be offset by $50,000.00 (the sum already transferred to [Kala] at the beginning of the divorce)." Appellant's App. p. 25. Kala disagreed with that interpretation, so William argued that there had been no meeting of the minds as to the distribution of the lottery winnings. Following a hearing, the trial court summarily denied William's motion on September 5, 2007. William now appeals.

DISCUSSION AND DECISION

William argues that the trial court erroneously denied his motion for relief from judgment. We review a trial court's ruling on a Trial Rule 60(B) motion for relief from judgment for an abuse of discretion. Bunch v. Himm, 879 N.E.2d 632, 634 (Ind. Ct. App. 2008). Thus, we will reverse only if the trial court's decision is clearly against the logic and effect of the facts and circumstances before it or is contrary to law. Id. Trial Rule 60(B)(1) provides that a court may relieve a party from a final order because of, among other things, mistake.

Our Supreme Court has remarked that "Indiana strongly favors settlement agreements," further explaining that "[s]ettlement agreements are governed by the same general principles of contract law as any other agreement." Georgos v. Jackson, 790 N.E.2d 448, 453 (Ind. 2003). Assuming for argument's sake that a mediated settlement agreement memorialized in a court order can be set aside via Trial Rule 60(B)(1), and

applying general principles of contract law to the Agreement, we note that William has two basic avenues of potential relief—a remedy at law based on an argument that there was no meeting of the minds and an equitable remedy based on an argument that there is a mutual mistake underlying the Agreement.

One of the required elements for the formation of a contract is a meeting of the minds on all essential terms:

> [a] meeting of the minds of the contracting parties, having the same intent, is essential to the formation of a contract. The intent relevant in contract matters is not the parties' subjective intents but their outward manifestation of it. A court does not examine the hidden intentions secreted in the heart of a person; rather it should examine the final expression found in conduct. The intention of the parties to a contract is a factual matter to be determined from all the circumstances.

Zimmerman v. McColley, 826 N.E.2d 71, 77 (Ind. Ct. App. 2005) (citations omitted). Whether a set of facts establishes a contract is a question of law. Fox Dev., Inc. v. England, 837 N.E.2d 161, 165 (Ind. Ct. App. 2005).

Here, the parties worked with a mediator and their attorneys. Ultimately, they were able to reach an agreement that was signed by William, Kala, and their respective lawyers. The Agreement is not ambiguous—no reference is made to the $50,000 payment Kala received at the outset of the dissolution proceedings. If William and his attorney had wanted that payment to be taken into account, they were free to inject the issue into the mediation proceedings. Whether they did or not, the Agreement does not include such a term. Although William contends that the parties interpret the Agreement differently, he has offered no evidence that, at the time the Agreement was executed, he

and Kala disagreed about the way in which the $50,000 payment would—or would not—be factored into the document. Thus, the only evidence before us is the Agreement itself, which unambiguously omits any mention of the $50,000 payment to Kala. Under these circumstances, we cannot conclude that William has established that the Agreement should be set aside because of a lack of a meeting of the minds.

As for equity, we note that "a contract generally may not be avoided for unilateral mistake unless the mistake was induced by the misrepresentation of the opposite party." Mid-States Gen. & Mech. Contracting Corp. v. Town of Goodland, 811 N.E.2d 425, 435 (Ind. Ct. App. 2004). Here, William does not argue that his mistaken interpretation of the Agreement's provisions was induced by a misrepresentation of Kala. Thus, he must establish that there was a mutual mistake underlying the Agreement. Again, William has not offered any evidence that Kala had a mistaken understanding of the meaning of the document's terms.

Moreover, the essence of William's "mistake" is a mistake of law regarding the meaning of the terms in the Agreement. This court has emphasized that "equitable relief is not available if the mistake is a mistake of law. Equity should not intervene 'where the complaining party failed to read the instrument, or, if he read it, failed to give heed to its plain terms.'" Id. (citation omitted) (quoting Estate of Spry v. Greg & Ken, Inc., 749 N.E.2d 1269, 1275 (Ind. Ct. App. 2001)). Here, the Agreement's plain terms do not give William the right to withhold $50,000 from his payment to Kala of $194,000. Thus, William has failed to establish that he is entitled to relief based on his mistaken

interpretation of the Agreement and we find that the trial court did not abuse its discretion in denying his motion for relief from judgment.

The judgment of the trial court is affirmed.

DARDEN, J., and BRADFORD, J., concur.